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## FISCAL IMPACT REPORT

ORIGINAL DATE 1/19/08

SPONSOR Cisneros LAST UPDATED \_\_\_\_\_ HB \_\_\_\_\_

SHORT TITLE NM Small Business Development Center SB 48

ANALYST Haug

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY08	FY09		
	\$800.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Higher Education Department (HED)  
 Santa Fe Community College (SFCC)  
 Economic Development Department (EDD)

### SUMMARY

#### Synopsis of Bill

Senate Bill 48 appropriates \$800.0 from the general fund to the Higher Education Department for the statewide New Mexico Small Business Development Center at Santa Fe Community College.

### FISCAL IMPLICATIONS

The appropriation of \$800.0 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2009 shall revert to the general fund.

The HED states that a proposal of \$1,000.0 was submitted to the New Mexico Higher Education Department (NMHED) by Santa Fe Community College. The Department's funding recommendation for FY09 is a continuance of FY08 recurring funding in the amount of \$4,673.4 with no additional funding at this time.

Senate Bill 48 provides \$800.0 in addition to the recommended recurring funding level.

The HED's evaluation table of FY09 Research and Public Service Projects provided to the LFC classifies this project as a "would not oppose if funding available" project. Reasons for this classification decision are not provided. (LFC Report 07-20, Higher Education Department Review of Selected Research and Public Service Projects, January 12, 2008, Table 4, p75.)

### **SIGNIFICANT ISSUES**

The Small Business Development Center at SFCC states that the New Mexico Small Business Development Center is a Statewide Small Business Development and Training Program, with the lead office hosted by SFCC. Local SBDC offices are funded by sub-contract between Santa Fe Community College and sixteen Higher Education institutions across New Mexico. The New Mexico SBDC's strategic mission is to provide quality direct assistance, entrepreneurial education and resource links for potential and existing businesses to strengthen the economy of New Mexico. The SBDC is overseen at the National level by the United States Small Business Administration. The appropriation is intended to expand the current services available and establish additional services.

This additional funding will be utilized for the following purposes:

- Additional core funding support for the nineteen existing local SBDC offices across the state.
- Implementation of a NMSBDC Statewide Small Business Procurement Assistance Program
- Expansion of the NMSBDC Business, Stakeholders and Partners Needs Assessment and Satisfaction measurement system.

According to the Small Business Development Center at SFCC, NMSBDC will be submitting a funding proposal for \$300,000.00 to the US Department of Defense, Defense Logistics Agency in the spring of 2008 for funding of a Statewide Procurement Assistance Program to be integrated into NMSBDC core services. This federal grant requires a minimum dollar for dollar match. \$400,000.00 of this appropriation would be used for that purpose

The HED states that the NMSBDC is a partnership of the U.S. Small Business Administration, the State of New Mexico, the New Mexico Association of Community Colleges, and the private sector. The NMSBDC provides confidential assistance with the following areas of small business development:

- Business planning, marketing, and financing
- International trade—import and export
- Women and minority-owned business programs
- Veterans information programs
- Young entrepreneurs programs